

Message Text

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SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT RICHARD L. HOMAN FRONT PAGE BY-LINER
WASHINGTON POST TUESDAY SEPTEMBER 14 HEADED "SWEDEN ALLEGED-
LY PAID U.S. GENERAL \$250,000."

2. THE SWEDISH GOVERNMENT CHANNELED MORE THAN \$250,000 IN
SECRET PAYMENTS TO THE CHIEF OF U.S. AIR FORCE INTELLIGENCE
IN THE EARLY 1970S, ACCORDING TO DOCUMENTS BEING PUBLISHED
TODAY BY A SWEDISH MAGAZINE.

3. THERE WAS NO INDICATION IN THE DOCUMENTS WHAT THE MONEY
WAS TO BE USED FOR, AND PENTAGON OFFICIALS REFUSED YESTERDAY
TO COMMENT ON THE MATTER.

4. FOLKET I BILD, A RADICAL LEFTIST FORTNIGHTLY MAGAZINE,
SAID THE SWEDISH OFFICIALS ALLEGEDLY INVOLVED, INCLUDING
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FOREIGN MINISTER SVEN ANDERSON, HAD FLATLY DENIED THAT SUCH

PAYMENTS HAD BEEN MADE.

5. YESTERDAY, HOWEVER, ON THE EVE OF PUBLICATION OF THE DOCUMENT, ANDERSON TOLD A REPORTER FOR A SWEDISH NEWSPAPER THAT HE NOW RECALLS THAT THE PAYMENTS HAD BEEN FOR ELECTRONICS EQUIPMENT AND THAT THEY HAD BEEN MADE TO THE PENTAGON BECAUSE OF CONFUSION ABOUT WHO THE MANUFACTURER WAS.

6. A SIMILAR ACCOUNT WAS GIVEN BY A HIGH-RANKING ASSOCIATE OF SWEDISH PRIME MINISTER OLOF PALME TO WASHINGTON POST CORRESPONDENT BERNARD NOSSITER IN STOCKHOLM. THE PALME AIDE ALSO DENIED EMPHATICALLY ON BEHALF OF THE SWEDISH GOVERNMENT, NOSSITER SAID, THAT THE PAYMENTS HAD BEEN MADE IN CASH, SAYING THEY WERE A BANK-TO-BANK TRANSACTION.

7. OTHER SWEDISH SOURCES SAID THAT ALTHOUGH SWEDEN PURCHASES SEVERAL HUNDRED THOUSAND DOLLARS WORTH OF U.S. EQUIPMENT YEARLY, INCLUDING SOME THROUGH SPECIAL SECRET CHANNELS, THE PAYMENTS DESCRIBED IN THE MAGAZINE ARTICLE APPEARED IN NONE OF THE CUSTOMARY ACCOUNTS.

8. RETIRED U.S. MAJ. GEN. ROCKLY TRIANTAFELLU, WHO WAS CHIEF OF U.S. AIR FORCE INTELLIGENCE AT THE TIME THE PAYMENTS REPORTEDLY BEGAN, ACKNOWLEDGED, IN A RECENT TELEPHONE INTERVIEW, A "TRANSACTION" FITTING THE DESCRIPTION CONTAINED IN THE SWEDISH MAGAZINE.

9. TRIANTAFELLU COULD NOT BE REACHED FOR FURTHER COMMENT YESTERDAY. IN THE EARLIER INTERVIEW, HOWEVER, HE SAID THE TRANSACTION WAS A MATTER "BETWEEN NATIONS" THAT HE COULD NOT DISCUSS.

10. THE CHARGE COMES AT A SENSITIVE TIME FOR PALME AND HIS SOCIAL DEMOCRATIC PARTY, WHICH FACE PARLIAMENTARY ELECTIONS SUNDAY. SWEDISH OBSERVERS SEE THE PUBLICATION AS AN ATTEMPT BY THE MAGAZINE TO EMBARRASS PALME'S PARTY, WHICH HAS GOVERNED SWEDEN FOR 40 YEARS.

11. TRIANTAFELLU, WHO NOW WORKS AS A PART-TIME RESEARCH CONSULTANT FOR CALSPAN CORP. IN ARLINGTON, SAID THERE WAS UNCLASSIFIED

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"NO QUESTION IN MY MIND THAT THERE IS A SATISFACTORY EXPLANATION CONCERNING THAT LITTLE TRANSACTION," BUT ADDED: "YOU'RE INTO AN AREA THAT I CAN IN NO WAY DISCUSS."

12. THE ALLEGED METHOD OF CASH PAYMENTS, IN THE VIEW OF PERSONS FAMILIAR WITH INTELLIGENCE ACTIVITIES, SUGGESTS AN INTELLIGENCE LIAISON LINK BETWEEN THE UNITED STATES AND SWEDEN, WITH THE UNITED STATES PROVIDING A SERVICE AND

SWEDEN PAYING FOR IT.

13. BUT SWEDEN, A SELF-PROCLAIMED NEUTRAL NATION, HAS SCRUPULOUSLY AVOIDED POTENTIALLY EMBARRASSING ASSOCIATIONS WITH NATO COUNTRIES IN RECENT YEARS AND, IN ANY CASE, SUCH LIAISON IS USUALLY ACCOMPLISHED BY EXCHANGES OF INFORMATION, NOT DIRECT CASH PAYMENT.

14. IN ADDITION, THE ALLEGED SERIES OF PAYMENTS, MADE FROM DECEMBER 1970 THROUGH JUNE 1973, BEGAN DURING AN ESPECIALLY LOW POINT IN U.S.-SWEDISH RELATIONS; ONE PAYMENT, IN JUNE 1972, WAS MADE A FEW DAYS BEFORE PALME PUBLICLY ACCUSED THE UNITED STATES OF WAGING ECOLOGICAL WARFARE IN SOUTH VIETNAM.

15. THE SWEDISH MAGAZINE SAID ITS DOCUMENTS, SOME OF THEM REPRODUCED WITH THE ARTICLE, INDICATED THAT ANDERSON, THEN DEFENSE MINISTER, ASKED PER AASBRINK, THEN HEAD OF THE BANK OF SWEDEN, TO ARRANGE PAYMENT OF \$250,000 TO TRIANTAFELLU AT U.S. AIR FORCE HEADQUARTERS.

16. "BUT THE TRANSACTION HAD TO BE CARRIED OUT IN SUCH A WAY THAT IT COULD NOT BE TRACED IN ANY PUBLIC SWEDISH GOVERNMENT ACCOUNT," THE MAGAZINE SAID. "THE MONEY HAD TO BE TRANSPORTED IN CASH BY A BAG MAN TO WASHINGTON."

17. ACCORDING TO THE DOCUMENTS, THE MAGAZINE SAID, THE MONEY WAS TO BE GIVEN IN \$100 BILLS TO THE U.S. AIR FORCE ATTACHE AT THE AMERICAN EMBASSY IN STOCKHOLM SO THAT, ACCORDING TO A HANDWRITTEN NOTATION ON ONE DOCUMENT, IT COULD BE "SMUGGLED" OUT OF THE COUNTRY.

18. THE MAGAZINE SAID THE WORD "SMUGGLE" APPEARS TO HAVE BEEN USED ONLY DESCRIPTIVELY, SINCE, WITH THE BANK OF

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SWEDEN'S OFFICIAL APPROVAL, THERE WAS NOTHING ILLEGAL ABOUT THE TRANSACTION DESPITE THE COUNTRY'S CURRENCY-CONTROL LAWS.

19. THE PAYMENTS--ALLEGEDLY MADE ON DEC. 21, 1970; MAY 26, 1971; JUNE 2, 1972; AND JUNE 12, 1973--REPORTEDLY WENT TO TWO DIFFERENT U.S. AIR FORCE COLONELS, FOR TRANSPORTATION TO WASHINGTON. ORIGINALLY INTENDED TO BE THE SWEDISH EQUIVALENT OF \$250,000, THE PAYMENTS ACTUALLY TOTALED \$276,900 BECAUSE OF FLUCTUATIONS IN EXCHANGE RATES, THE MAGAZINE SAID.

20. TRIANTAFELLU RETIRED FROM THE AIR FORCE IN MARCH 1972, AND THE TWO PAYMENTS AFTER THAT PRESUMABLY WENT TO HIS SUCCESSOR AS CHIEF OF AIR FORCE INTELLIGENCE, THE MAGAZINE SAID.

21. THE SWEDISH MAGAZINE SAID THAT, TO FURTHER MASK THE SOURCE OF THE PAYMENTS, THE BANK OF SWEDEN CHANNELED THEM THROUGH A COMMERCIAL BANK IN STOCKHOLM, THE ENSKILDA BANKEN.

22. A DIRECTOR OF ENSKILDA BANKEN WHO AT ONE TIME WAS AN ADVISER AT THE SWEDISH AIR FORCE ADMINISTRATION, HANDLED THE MATTER, THE MAGAZINE SAID. IT SAID THE DIRECTOR, KARL-ARVID NORLIN, TOLD THE MAGAZINE HE RECALLED AT LEAST

ONE OF THE PAYMENTS TO THE U.S. ATTACHE.

23. AASBRINK, WHO IS NOW SWEDEN'S DELEGATE TO THE INTERNATIONAL MONETARY FUND, HAS DENIED THAT ANY PAYMENTS WERE MADE AND ANDERSON TOLD THE MAGAZINE THAT ITS ALLEGATIONS WERE "UNTRUE" AND "COMPLETELY ABSURD."

24. THREE YEARS AGO THE AUTHOR OF THE FOLKET I BILD ARTICLE, JAN GUILLOU, WAS ONE OF THREE SWEDISH JOURNALISTS SENTENCED TO A YEAR IN JAIL FOR ESPIONAGE AFTER THE MAGAZINE PUBLISHED AN ARTICLE SAYING THAT LINKS EXISTED BETWEEN SWEDISH INTELLIGENCE AND INTELLIGENCE AGENCIES IN THE UNITED STATES AND ISRAEL.

25. ACCORDING TO THAT FOLKET I BILD ARTICLE, SWEDISH AGENTS IN 1973 BURGLARIZED THE EGYPTIAN EMBASSY IN STOCKHOLM AND UNCLASSIFIED

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STAGED AMPHIBIOUS LANDING OPERATIONS WITH AMERICAN AGENTS IN FINLAND. (END TEXT.) ROBINSON

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